DEPUTY PRESIDENT : I have received from Mr. K. R. Elenkath notice of a motion for the adjournment of the business of the House on a matter of urgent public importance. The object of the motion is " to discuss the grave situation as demonsrated by the events that took place on the evening of Friday last at Colachel, caused by the Head of the Travancore Administration siding with an European missionary and performing the opening ceremony of a leper asylum near the municipal town of Colachel in spite of repeated protests from the public and when the matter is *sub-judice*."

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I beg to submit that there are many reasons why this motion should not be allowed. Without going into the merits of that, I may say, as the matter is *sub judice*, the motion cannot be allowed.

DEPUTY PRESIDENT : Mr. Kayalam Paramesvaran Pillai on behalf of Government says that the matter is *sub judice*.

MR. CHANGANACHERY K. PARAMESVARAN PILLAI (*Kunnattur cum Pattanapuram*) : May I know what is the matter that is *sub judice*. Is it the Dewan's opening of the Leper Asylum or something else ?

DEPUTY PRESIDENT : The rule is that when the President is on his legs, no member might put a question. I do not know what Mr. Paramesvarn Pillai wanted to ask. If he had asked that in time, I would have allowed it. Now, I am only bound to consider what Mr. Kayalam Paramesvaran Pillai on behalf of Government has stated. He says that the matter is *sub judice*. If it is *sub judice* and in this case it is, no adjournment motion can be allowed.

Secondly, the language in whioh Mr. Elenkath has clothed his ideas is faulty. In the first place, the Head of the Travancore Administration is a vague expression, and further, siding with a European missionary and performing the opening ceremony of the Asylum and all that, It would be better if such strong language is not used. As the matter is *sub judice* and for the other reasons stated, I disallow the motion.

MR. K. R. ELENKATH (*Kalkulam I*) : May I know whether there are two Heads of Administration ?

DEPUTY PRESIDENT : I disallow that.

LEGISLATIVE BUSINESS.

THE TRAVANCORE LIFE ASSURANCE COMPANIES BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Sir, the first item in the list is the appointment of a Select Committee to consider and report on the Travancore Life Assurance Companies Bill. The principle of this Bill received the approval of the old Council, and the Bill was referred to a Select Committee, which

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however was not able to complete its labours. I now purpose that the Bill may be referred to another Select Committee, namely, a committee consisting of :

Messrs.

A. S. Damodaran Asan
K. C. Karunakaran
Puthupalli S. Krishna Pillai
T. C. Joseph
N. Abdur Rahiman Sahib
S. J. Nair
M. N. Nair
K. George
Kayalam Paramesvaran Pillai, and
T. K. Velu Pillai (*Deputy President*)

Of these, the first three were members of the old Committee too.

The Committee will report within four months.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : second it.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : May I know who is the President of the Committee ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : That will be nominated by the Dewan, the President of the Assembly.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): When the Deputy President is presiding, he can also exercise all the powers of the Dewan-President and so may I know who is the President of the Committee ?

DEPUTY PRESIDENT : But the rule says that the Dewan-President shall nominate a person.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : The rule has to be interpreted properly. It clearly says that the President shall nominate, So, the Chair can decide as to who shall be the President of the Select Committee.

DEPUTY PRESIDENT : After all, the matter is simple and it does not in any way affect the rights and privileges of the House.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): We want a ruling on the point. This is a very vital point. It is a matter affecting our rights and privileges, Sir. When the Deputy President presides, he can exercise all the powers of the President.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Provided it can be said that it is a power of the President *when presiding.*

DEPUTY PRESIDENT: I shall give my ruling later on.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : Will it be in the course of the day ?

DEPUTY PRESIDENT : Yes.

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Appendix I

The Travancore Life Assurance Companies Bill.

(As introduced in the Legislative Council on 23rd April 1932.)

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THE TRAVANCORE LIFE ASSURANCE COMPANIES BILL.

A Regulation to Provide for the Regulation of Life Assurance Companies.

WHEREAS it is expedient to provide for the Regulation of Life Assurance Companies: It is hereby enacted as follows :—

Preliminary.

Short title and extent.

1. (1) This Regulation may be called "The Travancore Life Assurance Companies Regulation of 110 ."

(2) It extends to the whole of Travancore.

Difinitions.

2. In this Regulation unless there is anything repugnant in the subject or context.—

(1) "actuary" means an actuary possessing such qualifications as may be prescribed by rules made by Our Government;

(2) "chairman" means the person for the time being presiding over the board of directors or other governing body of a life assurance company;

(3) "Court" means the Principal Civil Court of original jurisdiction in a district;

(4) "financial year" means each period of twelve months at the end of which the balance of the accounts of the life assurance company is struck, or, if no such balance is struck, then the calendar year;

(5) "life assurance business" means the issue of, or the undertaking of liability under policies of assurance upon human life, or the granting of annuities upon human life;

(6) "policy of assurance on human life" means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life or any instrument evidencing a contract which is subject to payments of premiums for a term dependent on human life;

(7) "policy-holder" means the person who for the time being is the legal holder of the policy for securing the contract with the life assurance company;

(8) where a company grants annuities upon human life, "policy" includes the instrument evidencing the contract to pay such an annuity, and" policy-holder" includes annuitant; and

(9) "Registrar" means any person who may be appointed by Our Government to perform the duties of the Registrar under this Regulation.

Companies to which Regulation applies.

3 Save as hereafter expressly provided, this Regulation shall apply to all persons or bodies of persons, whether corporate or unincorporate (which persons and bodies of persons are hereafter referred to as life assurance companies), whether established before or after the commencement o

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this Regulation and whether established within or without Travancore, who carry on life assurance business within Travancore.

Explanation.—A company registered under the Travancore Companies Regulation, 1092 which carries on life assurance business in any part of the world shall for the purposes of this section be deemed to be a company carrying on such business within Travancore.

Exception.—Nothing in this Regulation shall apply to any society to which the Provident Insurance Societies Regulation—applies or to any Fund which Our Government may, by notification in Our Government Gazette exempt from the operation of this Regulation.

Deposits.

4. (1) Every life assurance company shall, if established before the commencement of this Regulation within one year from such commencement, or if established after such commencement, before it commences to carry on the business of life assurance, deposit and keep deposited with the Chief Account Officer for and on behalf of Our Government, Government securities as defined by the Travancore Government Securities Regulation III of 1099 of the face value of twenty-five thousand rupees or of a face value equal to one third of the income derived from life assurance business as shown in the revenue account for the last financial year, whichever is greater; and, until the company keeps deposited securities of the face value of two lakhs of rupees, shall annually deposit and keep deposited in like manner like securities of a face value—

Deposits.

(*a*) equal to one-third of the income derived from life assurance business as shown in the revenue account for the last financial year, until the face value of the securities deposited exceeds one lakh of rupees;

(*b*) and thereafter equal in amount to one-third of the increase to the life assurance fund as shown in the revenue account for the last financial year;

Provided that a company may at any time deposit securities of a face value of two lakhs of rupees or make up its deposit of securities to that value.

(2) The interest accruing due on the securities deposited under sub-section (1) shall be paid to the company.

(3) The deposit may be made by the subscribers of the memorandum of association of a company or any of them, in the name of a proposed company and, upon the incorporation of the company, shall be deemed to have been made by, and to be part of the assets of, the company, and the Registrar of Joint Stock Companies shall not issue a certificate of incorporation of the company under the Travancore Companies Regulation, 1092 until the deposit has been made.

(4) The deposit shall be deemed to form part of the life assurance fund of the company.

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Accounts and Documents.

Separation of funds.

5. In the case of a life assurance company transacting other business besides that of life assurance a separate account shall be kept of all receipts in respect of the life assurance business, and the said receipts shall be carried to and form a separate fund to be called the life assurance fund.

Explanation.—Nothing in this section shall be deemed to require any life assurance fund to be invested in separate investments from any other fund, but a separate balance-sheet as prescribed under Section 7 shall be kept in respect of the life assurance fund.

Exception.—Nothing in this Section shall apply to a life assurance company established before the commencement of this Regulation by the terms of whose deed of settlement the whole of the profits of all the business carried on by the company are paid exclusively to the life policy-holders, and on the face of whose life policies the liability of the life assurance fund in respect of the other business distinctly appears.

Appropriation of life assurance fund.

6. The life assurance fund shall be as absolutely the security of the life policy-holders as though it belonged to a company carrying on no other business than life assurance business, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of life assurance and shall not be applied, directly or indirectly, for any purposes other than those of life assurance.

Exception.—Nothing in this section shall affect the liability of the life-assurance fund, in the case of a company established before the commencement of this Regulation for contracts entered into by the company before such commencement.

Accounts and balance sheet.

7. (i) Every life assurance company shall, at the expiration of each financial year, prepare.

(*a*) a revenue account for the year in the form or forms set forth in the first Schedule and applicable to the class or classes of business carried on by the company;

(*b*) a profit and loss account in the form set forth in the Second Schedule, except where the company carries on life assurance business only and no other business

(*c*) a balance-sheet or balance-sheets in the form or forms set forth in the Third Schecule;

(*d*) a statement containing the name of every person who during the year was a member of the board of directors or other governing body or was manager or secretary or held any similar office by whatever name called.

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["(*e*) a statement showing

(A) as regards new policies of life assurance in respect of whih a premium has been paid in the year of account,—

(*i*) the number of policies.

(*ii*) the sums assured.

(*iii*) the amount received by way of single premiums (including all premiums paid at the outset where no subsequent premium is payable), and

(*iv*) the amount of yearly renewal premium income;

(B) as regards total life assurance business,—

(*i*) the number of policies in force at the end of the year of account.

(*ii*) the sum assured (including revisionary bonus additions thereto under policies in force at the end of the year of account, and

(*iii*)the premium income for which credit is taken in the revenue account;

(C) as regards claims, the amount of the claims paid in the year of account under policies effected in Travancore.

(*a*) to claimants in Travancore ? and

(*b*) to claimants outside Travancore.

(*c*) a statement showing, in such forms as our Government may prescribe, a classified summary of the investments of the company in Travancore in Government securities, and in Travancore concerns and the other Travancore assets held by the company."

(2) For the purposes of clause (*e*) of sub-section (1), all items required to be stated shall be net amounts after deduction of the re-insurances of the company's risks, and for the purposes of sub-clauses (A) and (B) of that clause—

(*a*) the statement shall show separately the numbers and amounts in respect of policies effected in, and policies effected outside Travancore ;

(*b*) where a sum assured is payable periodically, whether by way of an annuity or otherwise, it shall be stated separately from lump sum payments , and

(*c*) policies of assurance upon the lives of a group of persons whereby sums assured are payable in respect of several persons included in the group shall be excluded from the statement and be shown in a separate statement containing the like particulars.]

Acturial reports and abstract.

8. (1) Every life assurance company shall once in every five years or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or bye-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary and shall cause an abstract of the report of such actuary to be made in the form set forth in the Fourth Schedule.

(2) The provision of sub-section (1) regarding the making of an abstract shall also apply whenever at any other time an investigation

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into the financial condition of a life assurance company is made with a view to the distribution of profits, or whenever the results of any such investigation are made public.

Actuarial abstract in case of mutual company.

9. In the case of a mutual life assurance company whose profits are allocated to members wholly or mainly by annual abatements of premium, the abstract of the report of the actuary on the financial condition of the company prepared in accordance with the Fourth Schedule, may, notwithstanding anything in section 8, be made and returned at intervals not exceeding five years: Provided that, where such return is not made annually, it shall include particulars as to the rates of abetment of premiums applicable to different classes or series of assurances allowed in each year during the period which has elapsed since the previous return under the Fourth Schedule.

Statement of life assurance business.

10. Every life assurance company shall, within three years from the commencement of this Regulation and thereafter at the date to which the accounts of the company are made up for the purposes of the investigation prescribed by section 8, prepare a statement of its assurance, busniess in the form set forth in the Fifth Schedule: Provided that, if the investigation is made annually by any company, the company may prepare such a statment at any time, so that it may be made at least once in every five years.

Deposit of accounts etc., with Our Government

11. (1) Every accuunt balance sheet, abstract or statement herein before required to be made shall be printed, and four copies thereof, one of which shall be signed by the chairman and two Directors of the company, and by the principal officer of the company. and if the company has a managing Director, by the managing Director, shall be deposited with Our Government within six months in the case of accounts and balance-sheets required by section 7, and within one year in other cases after the close of the period to which the account, balance-sheet, abstract or statement relates; Provided that, if in any case it is made to appear to Our Government that the circumstances are such that a longer period should be allowed, they may extend that period by such period as they may think fit.

(2) Our Government shall consider any document deposited in accordance with the provisions of subsection (i) and, if any such document appears to our Government to be inaccurate or defective in any respect Our Government may call upon the company to furnish a further statement correcting any such inaccuracies or supplying any such deficiencies.

Deposit of report.

12. There shall be deposited with every revenue account and balance sheet of a life assurance company every report on the affairsof the company submitted to the share-holders or policy-holders of the company in respect of the financial year to which the account and balance-sheet relate.

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13. Where a life assurance company registered under the the Travancore Companies Regulation, 1092 in any year deposits its accounts and balance-sheet in accordance with the provisions of section 11, the company may, at the same time, sent to the Registrar of Joint Stock Companies a copy of such accounts and balance sheet, and where such copy is so sent, it shall not be necessary for the company to file a balance-sheet with the Registrar of Joint Stock Companies as required by section 138 of the Travancore Companies Regulation, 1092 and the copy of the accounts and balance-sheet so sent shall be dealt with in all respects as if it were a balance-sheet filed in accordance with that section.

Exemption from certain provisions of Regulation I of 1092

14. A printed copy of the accounts. balance-sheet, abstract or statement last deposited shall on the application of any share-holder or policy holder of the company be forwarded to him by the company by post or otherwise.

Right of share-holders etc., to copies of accounts etc.

15. The accounts of every life assurance company shall be audited annually in such manner as our Government ma prescribe.

Audit of accounts.

16. Every life assurance company which is not registered under the Travancore Companies Regulation 1092, shall keep a list of the names and addresses of its share-holders and shall, on the application of any share-holder or policy-holder of the company, furnished to him a copy of such list on payment of a sum not exceeding two annas for every hundred words required to be copied.

List of share-holders

17. Every life assurance company which is not registered under the Travancore Companies Regulation 1092, shall cause a sufficient number of copies of its deed of settlement or other instrument constituting the company to be printed, and shall on the application of any share-holder or policy-holder of the company furnish to him a copy of such deed of settlement or other instrument on payment of a sum not exceeding one rupee.

Deed of settlement

18. Where any notice, advertisement or other official publication of a life assurance company contains a statement of the amount of the authorised capital of the company, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Publication of authorised as well as subscribed and paid-up capital

19. (1) Every life assurance company constituted outside Travancore which establishes a place of business within Travancore or appoints an agent in Travancore with the object of obtaining life assurance business, shall within three months from the establishment of the place of business or the appointment of such agent, file with the Registrar.

Requirements as to companies established outside.

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(*a*) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof ;

(*b*) a list of the directors of the company ;

(*c*) the names and addresses of some one or more persons resident in Travancore authorised to accept on behalf of the company service of process and any notices required to be served on the company ;

and, in the event of any alteration being made in any such instrument or in the list of directors or in the names and addresses of such persons as aforesaid, the company shall, within such time as Our Government may prescribe file with the Registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) There shall be paid to the Registrar for registering any document, required by this section to be filed, a fee of five rupees or such smallar fee as our Government may prescribe.

Amalgamation or Transfer.

Amalgamation or transfer

20. Where it is intended to amalgamate two or more life assurance companies, or to transfer the life assurance business of one company to another, the directors of any one or more of such companies may apply to the Court by petition, to sanction the proposed arrangement.

(2) Before any such application is made to the Court—

(*a*) notice of the intention to make the application shall be published in our *Government Gazette* at least two months before the application is made ;

(*b*) a statement of the nature of the amalgamation or transfer as the case may be, together with an abstract containing the material facts embodied in the agreement or deed under which the amalgamation or transfer is proposed to be effected, and copies of the acturial or other reports upon which the agreement or deed is founded, including a report by an independent actuary shall, unless the Court otherwise directs, be transmitted to each policy-holder or each company ; and

(*c*) the agreement or deed under which the amalgamation or transfer is effected shall be open for the inspection of the policy-holders and share-holders at the office of the companies for a period of fifteen days after the last publication of the notice.

(3) The Court, after hearing the directors and other persons whom it considers entitled to be heard upon the petition, may sanction the arrangement if it is satisfied that no sufficient objection to the arrangement has been established.

(4) The Court shall not sanction the amalgamation or transfer in any case in which it appears in the Court that the life policy-holders representing one tenth or more of the total amount assured in any

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company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer, dissent from the amalgamation or transfer.

(5) No life assurance company shall amalgamate with another, or transfer its business to another unless the amalgamation or transfer is sanctioned by the Court in accordance with this section.

Statement in case of amalgamation or transfer

21. Where an amalgamation takes place between any life assurance companies, or where any life assurance business of one such company is transferred to another company the combined company or the purchasing company, as the case may be, shall, within one month from the date of the completion of the amalgamation or transfer, deposit with our Government.

(*a*) certified copies of statements of the assets and liabilities of the companies concerned in such amalgamation or transfer, together with a statement of the nature and terms of the amalgamation or transfer; and

(*b*) a certified copy of the agreement or deed under which the amalgamation or transfer is affected and

(*c*) certified copies of the acturial or other reports upon which that agreement or deed is founded ; and

(*d*) a declaration under the hand of the chairman of each company, and the principal officer of each company that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer.

Winding up.

Special provisions as to winding up of assurance companies.

22. The Court may order the winding up of a life assurance company, in accordance with the Travancore Companies Regulation, 1092 and the provisions of that Regulation shall apply accordingly, subject, however, to the modification that the company may be ordered to be wound up —

(*a*) on the petition of ten or more policy holders.

Provided that such a petition shall not be presented except by the leave of the Court, and leave shall not be granted until a *prima facie* case has been established to the satisfaction of the Court and until security for costs for such amount as the Court may think reasonable has been given ; or

(*b*) on application made on behalf of Our Government showing that from a consideration of the documents deposited with them under the provisions of this Regulation it appears to them that the company is insolvent.

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Winding up of subsidiary companies.

23. (1) Where a life assurance business or any part of the life assurance business of a life assurance company has been transferred to another company under an arrangement in pursuance of which the first-mentioned company (in this section called the subsidiary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section called the principal company), then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the subsidiary company to be wound up in conjunction with the principal company, and may by the same or any subsequent order appoint the same person to be liquidator for the two companies, and make provision for such other matters as may seem to the Court necessary with a view to the companies being wound up as if they were one company.

(2) The commencement of winding up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding up of the subsidiary company.

(3) In adjusting the rights and liabilities of the members of the several companies between themselves, the Court shall have regard to the constitution of the companies, and to the arrangements entered into between the companies in the same manner as the court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company, or as near thereto as circumstances admit.

(4) Where any company alleged to be subsidiary is not in process of being wound up at the same time as the principal company to which it is subsidiary, the Court shall not direct the subsidiary company to be wound up unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is subsidiary to the principal company, and that the winding up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding up of any subsidiary company in conjunction with a principal company by any creditor of, or person interested in, the principal or subsidiary company.

(6) Where a company stands in the relation of a principal company to one company and in the relation of a subsidiary company to some other company, or where there are several companies standing in the relation of subsidiary companies to one principal company, the Court may deal with any number of such companies together or in separate groups as it thinks most expedient upon the principles laid down in this section.

Valuation of annuities and policies.

24. Where a life assurance company is being wound up by the Court, or subject to the supervision of the Court, or voluntarily, the value of a policy or of a liability under a policy requiring to be valued in such winding up shall be estimated in manner applicable to policies and liabilities provided by the Sixth Schedule

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Rules of valuation.

25. The rules in the Sixth Schedule shall be of the same force, and may be repealed, altered or amended as if they were rules made in pursuance of Section 248 of the Travancore Companies Regulation, 1092 and rules may be made under that section for the purpose of carrying into effect the provisions of this Regulation with respect to the winding up of life assurance companies.

Power of Court to reduce contracts.

26. The Court, in the case of a life assurance company which has been proved to be unable to pay its debts, may, if it thinks fit reduce the amount of the contracts of the company upon such terms and subject to such conditions as it thinks just, in place of making a winding up order.

Application of surplus assets in liquidation.

27. In the winding up of a life assurance company in a case where any proportion of the profits of the company was before the commencement of the winding up allocated to policy holders, if, when the assets and liabilities of the company have been ascertained, there is found to be a surplus of assets over liabilities (hereinafter referred to as a *prima facie* surplus), there shall be added to the liabilities of the company in respect of its life assurance business an amount equal to such proportion of the *prima facie* surplus as is equivalent to such proportion of the profits allocated to share-holders and policy-holders as was allocated to policy-holders during the ten years immediately preceding the commencement of the winding up, and the assets of the company shall be deemed to exceed its liabilities only in so far as those assets exceed those liabilities after such addition as aforesaid :

Provided that, if in any case there has been no such allocation, or if it appears to the Court that by reason of special circumstances it would be inequitable that the amount to be added to the liabilities of the company in respect of the life assurance business should be an amount equal to such proportion as aforesaid, the amount to be so added shall be such amount as the Court may direct.

Special Provision relating to Accounts and Documents.

Custody and inspection of documents deposited with Our Government.

28. Our Government may direct any documents deposited with them under this Regulation or certified copies thereof, to be kept by the Registrar or by any other officer appointed in this behalf, and any such documents and copies shall be open to inspection and copies thereof may be procured by any person on payment of such fees as Our Government may direct.

Accounts, etc., to be published.

29. Our Government shall annually cause to be published in such manner as they may direct, a summary of the accounts, balance sheets, abstracts, statements and other documents under this Regulation, or purporting to be under this Regulation, deposited with them during the preceding year by every life assurance company, except reports on the affairs of life assurance companies submitted to the share-holders or policy-holders thereof,

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and may append to such summary, any note of Our Government thereon, and any correspondence in relation thereto.

Evidence of documents.

30. Every document deposited under this Regulation with Our Government, and certified by the Registrar or by any person appointed in that behalf by Our Government to be a document so deposited, shall be deemed to be a document so deposited.

Evidence of copies of documents.

31. Every document purporting to be certified by the Registrar, or by any person appointed in that behalf by Our Government, to be a copy of a document so deposited, shall be deemed to be a copy of that document, and shall be received in evidence as if it were the original documents unless some variation between it and the original document be proved.

Alteration of forms.

32. Our Government may, on the application or with the consent of a life assurance company, alter the forms contained in the Schedules to this Regulation as respects that company, for the purpose of adapting them to the circumstances of that company.

Companies carrying on business in the United Kingdom and in British India.

Certain companies may apply to be declared companies which carry on life assurance business in the United Kingdom and in British India.

33. (1) An assurance company which carries on life assurance business in the United Kingdom in accordance with the Assurance Companies Act, 1909, or in British India in accordance with the Indian Life Assurance Companies Act, 1912, may, if carrying on life assurance business in Travancore before the commencement of this Regulation within three months of such commencement, or, in any other case, before it commences to carry on life assurance business in Travancore, apply to Our Government for a declaration that it so carries on such business in the United Kingdom or in British India.

(2) A company applying under the provisions of sub-section (1) shall furnish, at the time of its application or at such further time as Our Government may prescribe, such evidence as they may direct of the facts alleged in its application.

(3) Where Our Government are satisfied that a life assurance company applying as aforesaid is a life assurance company which carries on business in the United Kingdom in accordance with the Assurance Companies Act, 1909, or in British India in accordance with the Indian Life Assurance Companies Act, 1912, they shall, by notification in Our Government Gazette, make a declaration to that effect.

Application of the Regulation to companies which carry on life assurance business in the United Kingdom and British India.

34. Where Our Government have notified a declaration in accordance with the provisions of Section 32 in respect of a life assurance company, nothing in Section 4, Section 5, clauses (*a*), (*b*), (*c*) or (*d*) of sub section (1) of Section 7, Sections 8 to 12 Sections 15, 20, 21, or 38 shall apply to the company;

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Provided that

(1) the company shall deposit with Our Government in he manner prescribed in Section 11, copies of every account, balance sheet, abstract, statement or other document which the company is required by the Assurance Companies Act, 1909, to deposit at the Board of Trade or by the Indian Life Assurance Companies Act, 1912 to deposit with the Governor General in Council.

(2) if, at any time, a company in respect of which a declaration has been notified under Section 33 ceases to carry on life assurance business in the United Kingdom in accordance with the provisions of the Assurance Companies Act, 1909 or in British India in accordance with the Indian Life Assurance Companies Act, 1912, it shall, if it continues to carry on life assurance business in Travancore be subject to all the provisions of this Regulation, from the date it ceased to carry on such business in the United Kingdom or British India in accordance with the said Acts.

Penalties and Procedure.

Penalty for non-compliance with Regulation.

35. Any life assurance company which makes default in complying with any of the requirements of this Regulation and every director, manager, or secretary, or other officer or agent of the company who is knowingly a party to the default shall be punishable with fine which may extend to one thousand rupees, or in the case of a continuing default, with fine which may extend to five hundred rupees for every day during which the default continues; and, if default continues for a period of three months after notice of default by Our Government (which notice shall be published in one or more newspapers as Our Government may, upon the application of one or more policy-holders, or share-holders, direct), the default shall be a ground on which the Court may order the winding up of the company, in accordance with the Travancore Companies Regulation 1092.

Penalty for falsifying statements etc.

36. If any account, balance-sheet, abstract, statement or other document required by this Regulation is false in any particular to the knowledge of any person who signs it, such person shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

Cognizance of offences.

37. No Court inferior to that of a Magistrate of the first class shall try any offence against this Regulation.

Miscellaneous.

Appointment of Inspectors.

38. (1) Our Government may appoint one or more inspectors to examine into the affairs of any life assurance company, and to report thereon in such manner as they may direct.—

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(i) in the case of a life assurance company which is not registered under the Travancore Companies Regulation 1092 upon the application...

(*a*) of share holders being in number not less than one-fifth of the whole number of persons for the time being entered on the list of share holders kept in accordance with the provisions of Section 16; or

(*b*) of twenty or more policy-holders owning policies of an aggregate value of not less than twenty thousand rupees;

(ii) in any case where a life assurance company has failed to furnish a further statement when required to do so under the provisions of Section 11, sub-section (2), or where Our Government are of opinion that any such further statement is insufficient or unsatisfactory.

(2) On an appointment being made under sub-section (1), the provisions of Section 144 of the Travancore Companies Regulation 1092 shall apply to the examination made by such inspectors.

Service of notices.

39. Any notice or other document which is by this Regulation required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent, and any notice so addressed and sent shall be deemed and taken to be notice to the holder of such policy:

Provided that, where any person claiming to be interested in a policy has given to the company notice in writing of his interest, any notice which is by this Regulation required to be sent to policy-holders shall also be sent to such person at the address specified by him in his notice.

Powers to make rules.

40. (1) Our Government may make rules to carry out the purposes of this Regulation.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe the qualifications to be possessed by acturies, auditors and inspectors under this Regulation and the manner in which the accounts of life assurance companies shall be audited;

(*b*) prescribe the time within, and the form in which notice of alteration of the particulars specified in Section 19 of the Regulation shall be filed with the Registrar;

(*c*) subject to the provisions of this Regulation prescribe the fees payable thereunder.

(3) All rules made under this Regulation shall be published in Our Government *Gazette* and, on such publication, shall have effect as if enacted in this Regulation.

Power of Our Government to exempt from the provisions of the Regulation.

41. Our Government may, by notification in Our Government Gazette and subject to such restrictions and conditions as they think fit, exempt any life assurance company from all or any of the provisions of this Regulation.

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THE FIRST SCHEDULE.

See Section 7.

REVENUE ACCOUNTS OF THE _____ FOR THE YEAR ENDING _____

(A) *Life Assurance Account.*

	Rs.		Rs.
		Dividends payable on..... for the year ending.....(This is only to be stated here by companies not supplying a Profit and Loss account.)	
		Claims under policies paid and outstanding—	
		By death ...	
		By maturity ...	
Amount of life assurance fund at the beginning of the year		Surrenders, including surrenders of bonus additions.	
		Annuities ...	
		Bonuses in cash ...	
		Bonuses in reduction of premiums.	
Premiums		Expenses of management.	
		Commission ...	
		Agents and Canvassers' allowance	
Consideration for annuities granted *see* Note 1		Salaries, etc. (other than to Agents and Canvassers).	
		Travelling expenses ...	
		Directors' fees ...	
		Auditors' fees ...	
		Medical fees ...	
		Rents for offices belonging to, and occupied by the company.	
Interests, dividend and rents.		Rents of other offices occupied by the company.	
Less income-tax thereon	Rs.	Law charges ...	
		Advertising ...	
		Printing and stationery ...	
		Other expenses of management (accounts to be specified)	
Other receipts (accounts to be specified).		Other payments (accounts to be specified). ...	
		Amount of life assurance fund at the end of the year, as per third Schedule.	
Rs			Rs.

NOTE 1 Companies having a separate annuity fund with investments separate from those of the life assurance fund to return the particulars of their annuity business in a separate statement, in Form B of this schedule.

NOTE 2 Items in this account to be net amounts after deduction of the amounts paid and received in respect of re-assurances of the company's risks.

NOTE 3 If any sum has been deducted from the expenses of management account and taken credit for in the balance sheet as an asset, the sum so deducted to be separately shown in the above account.

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(B) *Revenue Account applicable to annuity business of those companies having a separate annuity-fund, the investments of which are kept separate from those of the life assurance fund.*

	Rs.		Rs.
Amount of annuity fund at the beginning of the year.		Annuities ...	
Consideration for annuities granted ...		Surrenders ...	
Rs.		Expenses of management -	
Interests, dividends and rents		Commission ...	
Less, income-tax thereon ...		Other expenses (to be specified) ...	
		Other payments (acounts to be specified).	
		Amount of annuity fund at the end of the year as per balance-sheet.	
Other receipts ...			
Rs.		Rs.	

NOTE :- Items in this account to be net amounts after decision of the amounts paid and received in respect of re-assurances of the company's risks.

(C) *General Revenue Account applicable to all classes of business other than life assurance and annuity transactions.*

	Rs.		Rs.
Amounts of funds at the beginning of the year ...		Claims less re-assurance (accounts to be specified)	
Premiums (accounts to be specified) ...		Expenses of management -	
Rs.		Commission ...	
Interests, dividends and rents.		Other expenses (to be specified) ...	
Less, income-tax thereon.		Losses (accounts to be specified) ...	
		Other payments (accounts to be specified).	
Profits (accounts to be specified).		Amount of funds at the end of the year as per balance-sheet.	
Other receipts (to be specified).			
Rs		Rs.	

NOTE 1.- All the items in the above account to be exclusive of life assurance and annuity transactions.

NOTE 2.—Items in this account to be net amounts after deduction of the amounts paid and received in respect of re-assurances of the company's risks.

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THE SECOND SCHEDULE.

(See Section 7.)

PROFIT AND LOSS ACCOUNT OF THE————FOR THE YEAR ENDING————.

	Rs.		Rs.
Balance of last year's account ...		Dividends and bonuses to share holders payable on..., for the year ending.	
Interest and dividends not carried to other accounts. Rs.		Expenses not charged to other accounts.	
Less income-tax thereon ...		Loss realised (accounts to be specified).	
Profit realised (accounts to be specified).		Other payments (accounts to be specified).	
Other receipts (accounts to be specified).		Balance as per Third Schedule ...	
Rs.		Rs.	

THE THIRD SCHEDULE.

See Section 7.

(A) BALANCE-SHEET————OF THE————ON THE————.

Liabilities.	Rs.	Assets.	Rs.
Rs.		Assets of life assurance fund as per separate balance-sheet (if any).	
Assurance fund— ...		Assets of annuity fund as per separate balance-sheet (if any)	
Outstanding liabilities of life assurance fund.		Assets of funds other than those shown in the above-mentioned balance sheets.	
Annuity fund (if any) as per separate balance-sheet:		Mortgages on property within India.	
Outstanding liabilities of annuity fund.		Mortgages on property out of India.	
		Loans on public rates ...	
		Do. life interests and reversions ...	

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THIRD SCHEDULE—(*contd.*)

	Rs.		Rs.
Shareholders' capital paid up (if any).		Do. stocks and shares.	
Profit and loss account (if any).		Do. company's policies within their surrender values	
Funds contained in General Revenue Account (if any) [Schedule I (*c*)].		Do. personal security.	
		Investments—	
		Deposit with the Chief Account Officer (securities to be specified).	
		Travancore Government Securities.	
		Indian Government securities ...	
Other sums owing by the Company.		British and Colonial Government securities.	
		Foreign Government securities ...	
Accounts to be specified and stated separately under each class of.		Indian Municipal and Provincial securities ...	
		British and Colonial securities ...	
		Foreign and Colonial securities ...	
		Bonds, debentures, stocks and other securities— whereon interest is guaranteed by the Indian Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government.	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government.	
		Ordinary stocks and shares of any Indian Presidency Bank.	
		Debentures of any railway in India.	

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THE TRAVANCORE LIFE ASSURANCE COMPANIES REGULATION.

Liabilities.	Rs.	Assets.	Rs.
		Investments—(*contd.*)	
		Debentures of any Railway out of India.	
		Preference or guaranteed shares of any Railway in India.	
		Preference or guaranteed shares of any Railway out of India.	
		Ordinary stocks and shares of any Railway in India.	
		Ordinary stocks and shares of any Railway out of India ...	
		House property in India ...	
		House property out of India ...	
		Freehold and leasehold ground-rents and rent charges in India ...	
		Life interests and reversions in India ...	
		Life interests and reversions out of India ..	
		Other investments in India (to be specified) ...	
		Other investments out of India (to be specified) ...	
		Agents' balances ...	
		Outstanding premiums ...	
		Outstanding interests dividends and rents ...	
		Interest accrued but not payable ...	
		Bills receivable ...	

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Liabilities.	Rs.	Assets.	Rs.
		Cash—	
		On deposit ...	
		In hand and on current account ...	
		Other assets (to be specified) ...	
Rs.		Rs.	

NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons assigned the balance-sheet, to the effect that in their belief the assets set forth in the balance sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 3.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 4.—Particulars must be given of all loans, including temporary advances except loans on policies within their surrender values made at any time during the year to any director or officer of a company or to any other company in which any of the said directors or officers may hold their position either of director or of officer.

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(B) BALANCE-SHEET OF THE LIFE ASSURANCE FUND .....ON THE.....

TO BE COMPLETED BY COMPANIES DOING BUSINESS OTHER THAN LIFE ASSURANCE FOR WHICH THEY HAVE SEPARATE FUNDS.

Liabilities.	Rs.	Assets.	Rs.
Life Assurance Fund ..		Mortgages on property within India ...	
Claims admitted or intimated but not paid ...		Do. Do. Out of India ...	
Other sums owing by the company (under this class of business)...		Loans on public rates ...	
		Do. Life interests and reversions ...	
		Do. stocks and shares	
		Do. company's policies within their surrender values. ...	
		Do. personal security..	
		Investments:—	
		Deposit with the Chief Account Officer] (securities to be specified) ...	
		Indian Government securities ...	
		British and Colonial Goveernment securities ...	
		Foreign Government securities ...	
		Indian Municipal and Provincial securities ...	
		British and Colonial securities ...	
		Foreign and Colonial securities ...	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the Indian Government ...	
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by the British or any Colonial Government ...	

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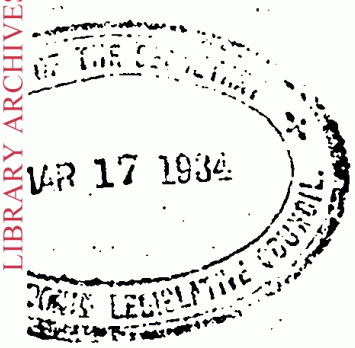

TRAVANCORE LIFE ASSURANCE COMPANIES REGULATION.

Liabilities.	Rs.	Assets.	Rs.
		Bonds, debentures, stocks and other securities whereon interest is guaranteed by any Foreign Government ...	
		Ordinary stocks and shares of any Indian Presidency Bank ...	
		Debentures of any Railway in India ...	
		Debentures of any Railway out of India ...	
		Preference or guaranteed shares of any Railway in India ...	
		Preference or guaranteed shares of any Railway out of India ...	
		Ordinary stocks and shares of any Railway in India ...	
		Ordinary stocks and shares of any Railway out of India ...	
		House property in India ...	
		House property out of India ...	
		Freehold and lease-hold ground-rents and rent charges in India ...	
		Life interests and reversions in India ...	
		Life interests and reversions out of India ...	
		Other investments in India (to be specified) ...	
		Other investments out of India (to be specified) ...	
		Agent's balances ...	
		Outstanding premiums ...	
		Do. interests, dividends and rents ...	

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THE TRAVANCORE LIFE ASSURANCE COMPANIES REGULATION.—(*Contd.*)

Liabilities.	Rs.	Assets.	Rs.
		Interest accrued but not payable Bills receivable ...	
		Cash—	
		On deposit ...	
		In hand and on current account ...	
		Other assets (to be specified) ...	
Rs.		Rs.	

NOTE 1.—When part of the assets of the company are specifically deposited under local laws in various places out of India, as security to holders of life assurance policies there issued, each such place and the amount compulsorily lodged therein must be specified.

NOTE 2.—A balance sheet in the above form must be rendered in respect of the annuity fund if the investments of that fund are distinct from those of the life assurance fund.

NOTE 3.—The balance-sheet must state how the values of the stock exchange securities are arrived at, and on the occasions when a statement respecting valuation under the Fourth Schedule is made, a certificate must be appended, signed by the same persons as signed the balance sheet, to the effect that in their belief the assets set forth in the balance-sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account.

NOTE 4.—A certificate must be appended hereto, signed by the same persons as signed the balance-sheet (Form A. and by the auditor to the effect that no part of any such fund has been applied, directly, or indirectly or for any purpose other than the class of business to which it is applicable.

NOTE 5.—Companies having investments with any uncalled liability shall state separately the full amount thereof.

NOTE 6.—Particulars must be given of all loans including temporary advances except loans on policies within their surrender values, made at any time during the year to any directors or officer of a company, or to any other company in which any of the said directors or officers may hold the position either of director or of officer.

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THE FOURTH SCHEDULE.

See Sections 8 and 9.

STATEMENTS RESPECTING THE VALUATION OF THE LIABILITIES UNDER LIFE POLICIES AND ANNUITIES OF THE.....TO BE MADE AND SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions.)

1. The date up to which the valuation is made.

2. The general principles adopted in the valuation, and the method followed in the valuation of particular classes of assurances, including a statement of the method by which the net premiums have been arrived at, and whether these principles were determined by the instrument constituting the company or by its regulations or bye-laws, or how otherwise, together with a statement of the manner in which policies on under average lives are dealt with.

3. The table or tables of mortality used in the valuation. In cases where the tables employed are not published, specimen policy values are to be given at the rate of interest employed in the valuation, in respect of whole life assurance policies effected at the respective ages of 20, 30, 40, and 50, and having been respectively in force for 5 years, 10 years, and upwards at intervals of five years, respectively, with similar specimen policy values in respect of endowment assurance policies according to age at entry, original term of policy and duration.

4. The rate or rates of interests assumed in the calculations.

5. The actual proportion of the annual premium income (if any,) reserved as provision for future expenses and profits, separately specified in respect of assurances with immediate profits, with deferred profits, and without profits. (If none, state how this provision is made.)

6. The consolidated revenue account since the last valuation, or in case of a company which has made no valuation, since the commencement of the business. This return should be made in the form annexed. No return under this heading will be required where a statement under this schedule is deposited annually.)

7. The liabilities of the company under life policies and annuities at the date of valuation showing the number of policies, the amount assured and the amount of premiums payable annually under each class of policies, both with and without participation in profits, and also the net liabilities and assets of the company, with the amount of surplus or deficiency. (These returns to be made in the forms annexed.)

8. The principles upon which the distribution of profits among the share-holders and policy-holders is made and whether these principles were determined by the instrument constituting the company or by its regulations or by-laws, or how otherwise, and the number of years' premiums to be paid before a bonus (*a*) is allotted and (*b*) vests.

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9. The results of the valuation, showing:—

(1) The total amount of profit made by the company, allocated as follows :

(*a*) among the policy-holders with immediate participation, and the number and amount of the policies which participated :

(*b*) among policy-holders with deferred participation, and the number and amount of the policies which participated ;

(*c*) among the share holders ;

(*d*) to reserve funds, or other accounts ;

(*e*) carried forward unappropriated ;

(2) Specimens of bonuses allotted to whole life assurance policies for Rs. 1,000 effected at the respective ages of 20, 30, 40, and 50, and having been respectively in force for 5 years, 10 years and upwards at intervals of 5 years respectively, together with the amounts apportioned under the various modus in which the bonus might be received ; with similar specimen bonuses and particulars in respect of endowment assurance policies, according to age at entry, original term of policy and duration.

(Form referred to under heading No. 6 Fourth Schedule.)

Consolidated Revenue Account of the———for———years——— Commencing———and ending———

	Rs.		Rs.
Amount of life assurance fund at the beginning of the period, Premiums.		Claims under policies paid and out-standing—	
Consideration of annuities granted.		By death	
Rs.		By maturity	
Interest, dividends and rents. Less income-tax thereon,		Surrenders	
		Annuities	
Other receipts (accounts to be specified).		Bonuses in cash	
		Bonuses in cash reduction of premiums	
		Commission	
		Expenses of management	
		Other payments (accounts to be specified).	
		Amount of life assurance fund at the end of the period as per Third Schedule.	
		Rs.	

NOTE.—If any sum has been deducted from the expenses of management account and taken credit for in the balance-sheet as an asset the sum so deducted to be separately shown in the above statement.

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(Form referred to under Heading No .7 in Fourth Schedule)

Summary and valuation of the policies of the ..... as at.....

	Particulars of the policies for valuation.				Valuation			
					Value by the Table interest per cent.			
	Number of policies	Sums assured and bonuses.	Office yearly premiums	Net yearly premiums.	Sums assured and bonuses.	Office yearly premiums.	Net yearly premiums.	Net liability.
ASSURANCES.								
1.—*With immediate participation in profits*								
For whole term of life								
Other classes (to be specified)								
Extra premiums payable								
II.—*With deferred participation in profits*								
For whole term of life								
Other classes (to be specified								
Extra premium) payable								
Total Assurances with profits.								
III.—*Without participation in profits*								
For whole term of life								
Other classes (to be specified)								
Extra premiums								
Total assurances without profit,								
Total assurances								
Deduct reassurances (to be specified according to class in a separate statement)								
Net amount of assurances								
Adjustments, if any (to be separately specified).								
ANNUITIES ON LIVES.								
Immediate								
Other classes (to be specified)								
Total of the results.								

Note. 1—The term "extra premium" in this Regulation shall be taken to mean the charge for any risk not provided for in the minimum contract

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premium If policies are issued in or for any country at rates of premium deducted from tables other than the European mortality tables adopted by the company, separate schedules similar in form to the above must be furnished.

NOTE. 2—Separate returns and valuation results must be furnished in respect of classes of policies valued by different tables of mortality, or at different rates of interest, also for business at other than European rates.

NOTE 3—In cases also where separate valuations of any portion of the business are required under local laws in places outside British India, a summary statement must be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums and the total net liability on the bases as to mortality and interest adopted in each such place, with statement as to such bases respectively.

(Form referred to under Heading No. 7 in Fourth Schedule.)

Valuation Balance sheet of .....as at.....

DR.	Rs.	CR.	Rs.
To net liability under life assurance and annuity transactions (as per summary statement provided in Fourth Schedule) ...		By life assurance and annuity funds (as per balance sheet under Third Schedule)	
To surplus, if any		By deficiency, if any	

THE FIFTH SCHEDULE.

(See Section 10.)

STATEMENT OF THE LIFE ASSURANCE AND ANNUITY BUSINESS OF THE.....ON THE, TO BE SIGNED BY THE ACTUARY.

(The answers should be numbered to accord with the numbers of the corresponding questions. Statements of re-assurances corresponding to the statements in respect of assurances are to be given throughout). Separate statements are to be furnished in the replies to all the headings under this Schedule for business at other than European rates.

1. The published table or tables of premiums for assurances for the whole term or life and for endowment assurances which are in use at the date above mentioned:

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2. The total amount assured on lives for the whole term of life which are in existence at the date above mentioned, distinguishing the portions assured with immediate profits, with deferred profits and without profits, stating separately the total reversionary bonuses and specifying the sums assured for each year of life from the youngest to the oldest ages, the basis of division as to immediate and deferred profits being stated.

3. The amount of premiums receivable annually, for such year of life after duducting the abatements made by the application of bonuses in respect of the respective assurances mentioned under Heading No. 2 distinguishiug ordinary from extra premiums. A separate statement is to be given of premiums payable for a limited number of years, classified according to the number of years' payments remaining to be made.

4. The total amount assured under endowment assurances, specifying sums assured and office premiums separately in respect of each year in which such assurances will mature for payment. The reversionary bonuses must also be separately specified, and the sums assured with immediate profits with deferred profits and without profits separately returned.

5. The total amount under classes of assurance business, other than assurances dealt with under questions 2 and 4, distinguishing the sums assured under each class and stating separately the amount assured with immediate profits with deferred profits, and without profits and the total amount of reversionary bonuses.

6. The amount of premiums receivable annually in respect of each such special class of assurances mentioned under Heading No. 5, distinguishing ordinary from extra premiums.

7. The total amount of premiums which has been received from the commencement upon pure endowment policies which are in force at the date abovementioned.

8. The total amount of immediate annuities on lives, distinguishing the amounts for each year of life, and distinguishing male and female lives.

9. The amount of all annuities on lives other than those specified under Heading No. 8, distinguishing the amount of annuities payable under each class, and the amount of premiums annually receivable.

10. The average rate of interest yielded by the assets, whether invested or uninvested constituting the life assurance fund of the company, calculated upon the mean fund of each year during the period since the last investigation, without deduction of incometax.

It must be stated whether or not the mean fund upon which the average rate of interest is calculated includes reversionary investments.

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11. A table of minimum values, if any, allowed for the surrender of policies for the whole term of life and for endowments and endowment assurances, or a statement of the method pursued in calculating such surrender values, with instances of the application of such method to policies of different standing and taken out at various interval ages from the youngest to the oldest.

THE SIXTH SCHEDULE.

(See Sections 24 and 25.)

RULES FOR VALUING ANNUITIES, LIFE POLICIES AND LIABILITIES.

Rule for valuing an annuity.

An annuity shall be valued according to the tables used by the company which granted such annuity at the time of granting the same, and where such tables cannot be ascertained or adopted to the satisfaction, of the Court, then according to such rate of interest and table of mortality as the Court may direct.

Rule for valuing a policy.

The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus or addition thereto made before the commencement of the winding-up and the present value of the future annual premiums.

In calculating such present values interest is to be assumed at such rate and the rate of mortality according to such tables, as the Court may direct.

The premium to be calculated is to be such premium as according to said rate of interest and rate of mortality is sufficient to provide for the risk incurred by the office in issuing the policy, exclusive of any addition thereto for office expenses and other charges.

Rule for valuing a liability.

The liquidator, in the case of all persons appearing by the books of the company to be entitled to or interested in policies granted by such company, is to ascertain the value of the liability of the company to each such person, and give notice of such value to such persons in such manner as the Court may direct, and any person to whom notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in manner and within a time to be prescribed by a rule or order of the Court.

Statement of objects and Reasons:

The object of the Bill is to provide for the better control of Life Assurance Companies. The carrying on of life assurance business is subject to special legislation in the United Kingdom and in British India. In the United Kingdom such companies are governed by the Assurance Companies Act, 1909 and in British India by the India Life Assurance Companies Act, 1912 (Act, VI of 1912 as amended by Act, XX of 1928). The existence of such companies in Travancore has been brought to the notice of Government, and it is considered that special

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legislation should be introduced in Travancore also to controal their operations in the interests of the public. This Bill has accordingly been prepared on the lines of the Indian Life Assurance Companies Act, 1912.

2. The main provisions of the Bill are designed to secure (1) that life assurance business as defined in the Bill shall be carried on only subject to the provisions of the Bill (2) that the floating and continuance of financially unsound Life Assurance Companies shall be prevented, (3) that the Government shall be kept fully and truly informed of the actual working and financial condition of such Companies, (4) that the Government shall be empowered to start winding-up proceedings if any company appear to be insolvent and (5) that full publicity shall be given to the financial condition, working, and proceedings of such companies.

KAYALAM PARAMESWARAN PILLAI

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